

FTC Consumer Alert

Federal Trade Commission ■ Bureau of Consumer Protection ■ Division of Consumer & Business Education

Selling a Timeshare Through a Reseller: Contract Caveats

Thinking of selling your timeshare? The Federal Trade Commission (FTC), the nation's consumer protection agency, cautions you to question resellers – real estate brokers and agents who specialize in reselling timeshares. They may be claiming that the market in your area is “hot” and that they're overwhelmed with buyer requests. Some may even say that they have buyers ready to purchase your timeshare, or promise to sell your timeshare within a specific time.

If you want to sell your deeded timeshare, and a company approaches you offering to resell your timeshare, go into skeptic mode:

- Don't agree to anything on the phone or online until you've had a chance to check out the reseller. Contact the Better Business Bureau (www.bbb.org), state Attorney General (www.naag.org), and local consumer protection agencies (www.consumeraction.gov) in the state where the reseller is located. Ask if any complaints are on file.
- Ask the salesperson for all information in writing.
- Ask if the reseller's agents are licensed to sell real estate where your timeshare is located. If so, verify it with the state Real Estate Commission. Deal only with licensed real estate brokers and agents, and ask for references from satisfied clients.
- Ask how the reseller will advertise and promote the timeshare unit. Will you get progress reports? How often?
- Ask about fees and timing. It's preferable to do business with a reseller that takes its fee after the timeshare is sold. If you must pay a fee in advance, ask about refunds. Get refund policies and promises in writing.
- Don't assume you'll recoup your purchase price for your timeshare, especially if you've owned it for less than five years and the location is less than well-known.
- If you want an idea of the value of a timeshare that you're interested in buying or selling, consider using a timeshare appraisal service. The appraiser should be licensed in the state where the service is located. Check with the state to see if the license is current.

Contract Caveats

Before you sign a contract with a reseller, get the details of the terms and conditions of the contract. It should include the services the reseller will perform; the fees, commissions, and other costs you must pay and when; whether you can rent or sell the timeshare on your own at the same time the reseller is trying to sell your unit; the length or term of the contract to sell your timeshare; and who is responsible for documenting and closing the sale.

If the deal isn't what you expected or wanted, don't sign the contract. Negotiate changes or find another reseller.

Resale Checklist

Selling a timeshare is a lot like selling any other piece of real estate. But you also should check with the resort to determine restrictions, limits, or fees that could affect your ability to resell or transfer ownership. Then, make sure that your paperwork is in order. You'll need:

- the name, address, and phone number of the resort;
- the deed and the contract or membership agreement;
- the financing agreement, if you're still paying for the property;
- information to identify your interest or membership;
- the exchange company affiliation;
- the amount and due date of your maintenance fee;
- the amount of real estate taxes, if billed separately.

For More Information

To learn more about vacation ownership, contact the American Resort Development Association. It represents the vacation ownership and resort development industries. ARDA has nearly 1,000 members, ranging from privately-held companies to major corporations, in the U.S. and overseas.

American Resort Development Association
1201 15th Street N.W., Suite 400
Washington, D.C. 20005
(202) 371-6700; Fax: (202) 289-8544
www.arda.org

To File a Complaint

Timesharing is usually regulated through the Real Estate Commission in the state where the timeshare property is located. The sale of vacation plans generally is not regulated at all. However, if you believe you've been the victim of false or deceptive advertising or marketing of a vacation plan, contact the FTC.

The FTC works to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint or get free information on consumer issues, visit ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. Watch a new video, How to File a Complaint, at ftc.gov/video to learn more. The FTC enters consumer complaints into the Consumer Sentinel Network, a secure online database and investigative tool used by hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

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1-877-FTC-HELP	FOR THE CONSUMER